



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

September 5, 2002

TO: Lowell P. Braxton, Director *mon*

THRU: Mary Ann Wright, Associate Director

THRU: Wayne Hedberg, Permit Supervisor *WH for Wayne Hedberg*

FROM: Doug Jensen, Senior Reclamation Specialist *DJensen*

RE: Request for Approval of Form and Amount of Replacement Reclamation Surety,
Graymont Western US Inc., Cricket Mountain Mine, M/027/006, Millard County, Utah

On July 2, 2002, the Division received notice that Graymont Western US Inc. reclamation surety bond with American Automobile Insurance Company was going to be canceled, effective August 31, 2002. On July 10, 2002, the Fireman's Fund Insurance Company sent an original notice of cancellation, which stated the surety would be canceled, effective September 25, 2002. As this site was due for the standard five-year review, the Division performed review and escalated the surety to year 2007 dollars.

On September 5, 2002, the operator provided the Division with a replacement Reclamation Contract and replacement surety bond #063650, issued by Lumbermens Mutual Casualty Company in the amount of \$1,667,600. The surety company is on the federal register listing of acceptable bonding companies and has an "A-" rating.

If you are in agreement with the acceptance of the replacement reclamation surety and reclamation contract, please sign and date the reclamation contract, the surety bond, and the Fireman's Fund letter. We will then send final Division approval for the updated surety for the Cricket Mountain Mine. Thank you for your consideration of this request.

jb

Enclosure: MR-RC, surety bond, & Firemans Fund letter

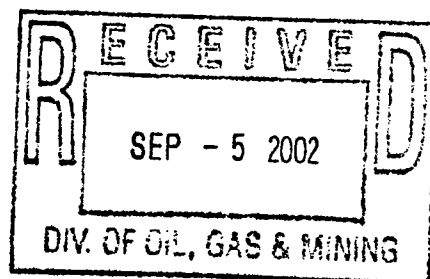
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Approved
LAB
9/6/02

File Number M/027/006
Effective Date Sept 6, 2002
Other Agency File Number BLM.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	<u>M/027/006</u> <u>Limestone and dolomite</u>
"MINE LOCATION": (Name of Mine) (Description)	<u>The Cricket Mountain quarry is</u> <u>located in West-Central Utah,</u> <u>approximately 32 miles southwest of</u> <u>Delta in Millard County</u>
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	<u>457.7 acres</u> <u>(refer to Attachment "A")</u>
"OPERATOR": (Company or Name) (Address)	<u>Graymont Western US Inc.</u> <u>3950 South 700 East, Suite 301</u> <u>Salt Lake City, Utah 84107</u>
(Phone)	<u>(801) 262-3942</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

John S. Kirkham

(Address)

Stoel Rives LLP

201 South Main Street, Ste. 1100

Salt Lake City, UT 84111-4904

(Phone)

(801) 578-6956

"OPERATOR'S OFFICER(S)":

refer to Attachment "C"

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Lumbermens Mutual Casualty Company

"SURETY AMOUNT":

(Escalated Dollars)

\$1,667,600.00

"ESCALATION YEAR":

2007

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Graymont Western US Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/027/006 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated January 1, 1981, and the original Reclamation Plan dated January 1, 1981. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

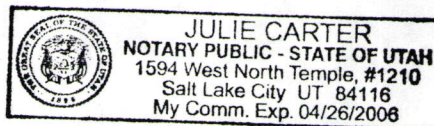
9/6/02
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 6 day of September, 20 02, Lowell P. Braxton personally appeared before me, who being duly sworn did say that ~~he/she~~, the said Lowell Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and ~~he/she~~ duly acknowledged to me that ~~he/she~~ executed the foregoing document by authority of law on behalf of the State of Utah.

Julie Carter
Notary Public
Residing at: Salt Lake

April 26, 2006
My Commission Expires:



ATTACHMENT "A"

Graymont Western US Inc.
Operator

Cricket Mountain Quarry
Mine Name

M/027/006
Permit Number

Millard County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 457.7 acres under the approved permit and surety, as reflected on the attached ~~map~~ labeled Number 1, 2 and 3 and dated August 6, 2002 maps :

169 Acres within:

SE 1/4, Section 25, T21S, R10W, SLBM
SW 1/4, Section 25, T21S, R10W, SLBM

State Lease ML-35572

-W 1/12 NE 1/4 NW 1/4 Section 36, T21S, R10W, SLBM

288.7 Acres within:

E 1/2 Section 26; W 1/2 and SE 1/4 Section 25;
NE 1/4 NE 1/4 Section 35; NW 1/4 NW 1/4 Section 36; T21S, R10W
S 1/2 Section 30, N 1/2 Section 31; T21S, R9W

ATTACHMENT "C"

Graymont Western US Inc.
Operator

Cricket Mountain Quarry
Mine Name

M/027/006
Permit Number

Millard County, Utah

Current Officers –

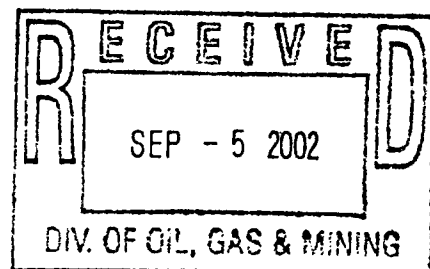
<u>Name</u>	<u>Position</u>
S.E. Wolfe	Chairman
W.E. Dodge	President and Chief Executive Officer
K.J. Wheeler	Vice President, Chief Financial Officer and Corporate Secretary
W.J. Wagner	Vice President and General Manager
J.B. Higgs	Vice President, Sales & Marketing
H.H. Herman	Vice President, Operations
M.R. Brown	Vice President, Environmental Affairs
T.D. Wakefield	Vice President and PCC Business Manager
G.A. Poole	Vice President, Controller and Assistant Secretary

ATTACHMENT B

FORM MR-6
Joint Agency Surety Form
(January 18, 2000)

Bond Number _____
Permit Number M/027/006
Mine Name CRICKET MOUNTAIN MINE
Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned GRAYMONT WESTERN US INC. as Principal, and LUMBERMENS MUTUAL CASUALTY COMPANY as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U.S. DEPT. OF INTERIOR, BUREAU OF LAND MANAGEMENT in the penal sum of ONE MILLION, SIX HUNDRED SIXTY SEVEN THOUSAND, SIX HUNDRED** dollars (\$1,667,600.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the 10TH day of JUNE, 2000 1997, that 457.7 acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.


Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

GRAYMONT WESTERN US INC.
Principal (Permittee)

G. A. POOLE
By (Name typed):

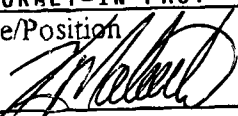
VICE PRESIDENT, CONTROLLER
Title


Signature

Surety Company

LUMBERMENS MUTUAL CASUALTY COMPANY
Surety Company Name

KEVIN MATWICK
Surety Company Officer

ATTORNEY-IN-FACT
Title/Position

Signature

August 30, 2002
Date

1820 - 475 SANSOME STREET
Street Address

SAN FRANCISCO, CA 94111
City, State, Zip

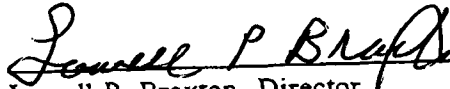
(604) 669-4247
Phone Number

AUGUST 1, 2002
Date

Page 3
MR-6
Joint Agency Surety Bond
Attachment B

Bond Number _____
Permit Number M/027/006
Mine Name CRICKET MOUNTAIN MINE
Other Agency File Number _____

SO AGREED this 6th day of September, 2002.



Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 1st day of August, 20 02, personally appeared before me Kevin Matwick who being by me duly sworn did say that he/she, the said Kevin Matwick is the Attorney in Fact of Lumberman's Mutual Casualty and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Kevin Matwick duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: [Signature]
Surety Officer

Title: ATTORNEY-IN-FACT

Province British Columbia)
STATE OF British Columbia) ss.
COUNTY OF Vancouver)

Subscribed and sworn to before me this 1st day of August, 20 02.

[Signature]
Notary Public

Residing at: Vancouver, BC.

My Commission Expires:

N/A. 20

POWER OF ATTORNEY

Know All Men By These Presents:

That the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, corporations organized and existing under the laws of the State of Illinois, having their principal office in Long Grove, Illinois (hereinafter collectively referred to as the "Company") do hereby appoint

Kevin Matwick of Vancouver, B.C., Canada

their true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as their act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal office in Long Grove, Illinois.

This Power of Attorney is executed by authority of resolutions adopted by the Executive Committees of the Boards of Directors of the Company on February 23, 1988 at Chicago, Illinois, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Executive Committee of the Boards of Directors of the Company at a meeting duly called and held on the 23rd day of February, 1988:

"VOTED, That the signature of the Chairman of the Board, the President, any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to resolution adopted by the Executive Committee of the Board of Directors on February 23, 1988 and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

SURETY ESTIMATE UPDATE

Graymont Western US, Inc.

Cricket Mountain Quarry

FILE # M/027/006

Millard County

Prepared by Utah Division of Oil, Gas & Mining

Last Update DATE 7/30/02

DESCRIPTION:

-Previous reclamation surety estimate was \$1,292,400 in year 1998 dollars

-Reclamation Estimate base amount calculated in 1998-\$

-This update adjusts the surety amount for escalation only.

-Escalation factors through 2002 are actual Means Historical Cost Indices

-Total disturbed area = 457.7 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1995	0.0193	\$0.00
	1996	0.0242	\$0.00
F = Future Sum	1997	0.0236	\$0.00
P = Present Sum	1998	0.0502	\$1,292,400
i = Escalation Factor	1999	0.0191	\$1,317,085
n = number of periods	2000	0.0244	\$1,349,222
	2001	0.0460	\$1,411,286
Three Yr Average = 2.82%	2002	0.0282	\$1,451,084
Used to Project 5 Yrs	2003	0.0282	\$1,492,005
From the Year 2002	2004	0.0282	\$1,534,079
	2005	0.0282	\$1,577,340
	2006	0.0282	\$1,621,821
	2007	0.0282	\$1,667,557
Updated Surety Amount Rounded (2007-\$)			\$1,667,600

** Average cost per acre = \$3,643 (\$/ACRE)